

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 1261
94TH GENERAL ASSEMBLY

Reported from the Special Committee on Energy and Environment April 29, 2008 with recommendation that House Committee Substitute for Senate Committee Substitute for Senate Bill No. 1261 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

5402L.09C

AN ACT

To repeal sections 8.800, 8.810, 8.812, 8.815, 8.837, 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, and 143.121, RSMo, and to enact in lieu thereof thirty-two new sections relating to environmental protection, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 8.800, 8.810, 8.812, 8.815, 8.837, 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, and 143.121, RSMo, are repealed and thirty-two new sections enacted in lieu thereof, to be known as sections 8.295, 8.305, 8.309, 8.800, 8.810, 8.812, 8.815, 8.837, 8.852, 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, 135.032, 143.121, 144.526, 251.650, 386.850, 386.950, 442.620, 640.153, 640.157, 640.216, 701.500, 701.503, 701.506, 701.509, 701.512, 701.515, and 1, to read as follows:

8.295. Up to ten percent of the amount appropriated each year from the facilities maintenance reserve fund created in article IV, section 27(b) of the Missouri Constitution shall be expended on maintenance, repair, or renovation projects that are otherwise allowable under the constitution but that are also considered energy projects with a ten-year payback or less.

8.305. Any appliance purchased with state moneys or a portion of state moneys shall be an appliance that has earned the Energy Star under the Energy Star program co-sponsored by the United States Department of Energy and the Environmental Protection

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

4 **Agency. For purposes of this section, the term "appliance" shall have the same meaning**
5 **as in section 144.526, RSMo.**

2 **8.309. 1. The division of facilities management, design and construction shall**
3 **ensure that regular maintenance is conducted on all lighting, heating, ventilation, and air**
4 **conditioning systems used within any state building. Such maintenance shall include, but**
5 **not be limited to, lubricating, balancing, aligning, vacuuming, cleaning, and checking seals**
6 **to ensure the optimum operation and energy efficiency of any such system.**

7 **2. The office of administration shall have the authority to promulgate rules**
8 **necessary to administer this section. Any rule or portion of a rule, as that term is defined**
9 **in section 536.010, RSMo, that is created under the authority delegated in this section shall**
10 **become effective only if it complies with and is subject to all of the provisions of chapter**
11 **536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536,**
12 **RSMo, are nonseverable and if any of the powers vested with the general assembly**
13 **pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and**
14 **annul a rule are subsequently held unconstitutional, then the grant of rulemaking**
15 **authority and any rule proposed or adopted after August 28, 2008, shall be invalid and**
16 **void.**

17 **8.800. As used in sections 8.800 to 8.825, the following terms mean:**

- 2 (1) "Builder", the prime contractor that hires and coordinates building subcontractors
3 or if there is no prime contractor, the contractor that completes more than fifty percent of the
4 total construction work performed on the building. Construction work includes, but is not
5 limited to, foundation, framing, wiring, plumbing and finishing work;
- 6 (2) "Department", the department of natural resources;
- 7 (3) "Designer", the architect, engineer, landscape architect, builder, interior designer or
8 other person who performs the actual design work or is under the direct supervision and
9 responsibility of the person who performs the actual design work;
- 10 (4) "District heating and cooling systems", heat pump systems which use waste heat
11 from factories, sewage treatment plants, municipal solid waste incineration, lighting and other
12 heat sources in office buildings or which use ambient thermal energy from sources including
13 temperature differences in rivers to provide regional heating or cooling;
- 14 (5) "Division", the division of design and construction;
- 15 (6) "Energy efficiency", the increased productivity or effectiveness of energy resources
16 use, the reduction of energy consumption, or the use of renewable energy sources;
- 17 (7) "Gray water", all domestic wastewater from a state building except wastewater from
18 urinals, toilets, laboratory sinks, and garbage disposals;

19 (8) "Life cycle costs", the costs associated with the initial construction or renovation and
20 the proposed energy consumption, operation and maintenance costs over the useful life of a state
21 building or over the first twenty-five years after the construction or renovation is completed;

22 (9) "Public building", a building owned or operated by a governmental subdivision of
23 the state, including, but not limited to, a city, county or school district;

24 (10) "Renewable energy source", a source of thermal, mechanical or electrical energy
25 produced from solar, wind, low-head hydropower, biomass, hydrogen or geothermal sources,
26 but not from the incineration of hazardous waste, municipal solid waste or sludge from sewage
27 treatment facilities;

28 (11) "State agency", a department, commission, authority, office, college or university
29 of this state;

30 (12) "State building", a building owned by this state or an agency of this state;

31 **(13) "Substantial renovation" or "substantially renovated", modifications that will**
32 **affect at least fifty percent of the square footage of the building or modifications that will**
33 **cost at least fifty percent of the building's fair market value.**

8.810. 1. In addition to all other requirements imposed by law, the director of the
2 division shall require, for construction of a state building or substantial renovation of an existing
3 state building when major energy systems are involved, that a design professional submit an
4 analysis which meets the design program's space and use requirements and reflects the lowest
5 life cycle cost possible in light of existing commercially available technology. The analysis,
6 using existing commercially available technology, shall include, but shall not be limited to,
7 designs which use renewable energy sources, earth-sheltered construction, systems to recover
8 and use waste heat, thermal storage heat pump systems, ambient thermal energy, district heating
9 and cooling systems, devices to reduce water consumption, and plumbing systems to recover
10 gray water for appropriate reuse.

11 2. The director of the division shall not let a contract after January 1, 1996, for
12 construction of a state building or substantial renovation of an existing state building when major
13 energy systems are involved before completing an evaluation of the design documents and
14 construction documents based upon life cycle cost factors and the minimum energy efficiency
15 standard established in subsection 1 of section 8.812.

16 **3. Any design documents submitted to the division under this section shall, in**
17 **addition to any other requirements under law, include a projection of the energy savings**
18 **that will result from the design features that are employed in order to comply with the**
19 **minimum energy efficiency standard established in subsection 1 of section 8.812.**

8.812. 1. By January 1, [1995] **2009**, the department[, in consultation with the division
2 and the voluntary working group created in subsection 1 of section 8.815,] shall establish, by
3 rule, a minimum energy efficiency standard for construction of a state building, substantial

renovation of a state building when major energy systems are involved or a building which the state or state agency considers for acquisition or lease. Such standard shall be at least as stringent as the [American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) Standard 90] **International Energy Conservation Code 2006**, latest revision.

2. All design which is initiated on or after July 1, [1995] **2009**, for construction of a state building or substantial renovation of a state building when major energy systems are involved or any building which the state or state agency considers for acquisition or lease after July 1, [1995] **2009**, shall meet applicable provisions of the minimum energy efficiency standard.

3. The commissioner of the office of administration may exempt any building from the requirements of subsection 2 of this section:

(1) When compliance with the minimum energy efficiency standard may compromise the safety of the building or any of its occupants; or

(2) When the cost of compliance is expected to exceed the projected energy cost savings gained.

8.815. The department and the division shall establish a voluntary working group of persons and interest groups with expertise in energy efficiency, including, but not limited to, such persons as electrical engineers, mechanical engineers, builders, architects, landscape architects, **interior designers**, nonprofit organizations, **persons affiliated with gas or electric utilities**, and persons with expertise in solar and renewable energy forms. The voluntary working group shall advise the department on the development of the energy efficiency standard and shall assist the department in implementation of the standard by recommending, reviewing and coordinating education programs for designers, builders, businesses and other interested persons to facilitate incorporation of the standard into existing practices.

8.837. 1. By [July 1, 1994] **January 1, 2009**, the department shall establish, by rule, a minimum energy efficiency standard for new and substantially renovated state buildings **over five thousand square feet** which shall be at least as stringent as the [American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) Standard 90.01-1989, as revised, and shall be at least as stringent as any statewide energy efficiency standard required pursuant to the Energy Policy Act of 1992 (Public Law 102-486)] **International Energy Conservation Code 2006, latest revision**.

2. All new or substantially renovated state buildings for which design of such construction or renovation is initiated on or after July 1, [1994] **2009**, shall meet applicable provisions of the minimum energy efficiency standard.

8.852. On or after July 1, 2016, at least ten percent of the electricity used by the state government shall come from a renewable energy source or sources, provided that the increase in the cost of electricity attributable to using such renewable energy source or sources is not more than ten percent to the extent that such renewable energy sources are

5 available. On and after July 1, 2026, at least twenty percent of the electricity used by the
6 state government shall come from a renewable energy source or sources, provided that the
7 increase in the cost of electricity attributable to using such renewable energy source or
8 sources is not more than ten percent to the extent that such renewable energy sources are
9 available. The provisions of this section shall not apply to political subdivisions of the
10 state, but shall not preclude a political subdivision from voluntarily complying with this
11 section.

30.750. As used in sections 30.750 to 30.767, the following terms mean:

2 (1) "Eligible agribusiness", a person engaged in the processing or adding of value to
3 agricultural products produced in Missouri;

4 (2) **"Eligible alternative energy operation", a business enterprise engaged in the**
5 **production and sale of fuel or power from energy sources other than fossil fuels, including**
6 **but not limited to solar, hydroelectric, wind, and qualified biomass. Such business**
7 **enterprise shall conform to the characteristics of paragraphs (a), (b), and (d) of subdivision**
8 **(5) of this section;**

9 (3) "Eligible beginning farmer",

10 (a) For any beginning farmer who seeks to participate in the linked deposit program
11 alone, a farmer who:

12 a. Is a Missouri resident;

13 b. Wishes to borrow for a farm operation located in Missouri;

14 c. Is at least eighteen years old; and

15 d. In the preceding five years has not owned, either directly or indirectly, farm land
16 greater than fifty percent of the average size farm in the county where the proposed farm
17 operation is located or farm land with an appraised value greater than four hundred fifty
18 thousand dollars.

19 A farmer who qualifies as an eligible farmer under this provision may utilize the proceeds of a
20 linked deposit loan to purchase agricultural land, farm buildings, new and used farm equipment,
21 livestock and working capital;

22 (b) For any beginning farmer who is participating in both the linked deposit program and
23 the beginning farmer loan program administered by the Missouri agriculture and small business
24 development authority, a farmer who:

25 a. Qualifies under the definition of a beginning farmer utilized for eligibility for federal
26 tax-exempt financing, including the limitations on the use of loan proceeds; and

27 b. Meets all other requirements established by the Missouri agriculture and small
28 business development authority;

29 [(3)] (4) "Eligible facility borrower", a borrower qualified under section 30.860 to apply
30 for a reduced-rate loan under sections 30.750 to 30.767;

31 [(4)] (5) "Eligible farming operation", any person engaged in farming in an authorized
32 farm corporation, family farm, or family farm corporation as defined in section 350.010, RSMo,
33 that has all of the following characteristics:

34 (a) Is headquartered in this state;

35 (b) Maintains offices, operating facilities, or farming operations and transacts business
36 in this state;

37 (c) Employs less than ten employees;

38 (d) Is organized for profit;

39 (e) Possesses not more than sixty percent equity, where "percent equity" is defined as
40 total assets minus total liabilities divided by total assets, except that an otherwise eligible
41 farming operation applying for a loan for the purpose of installing or improving a waste
42 management practice in order to comply with environmental protection regulations shall be
43 exempt from this eligibility requirement;

44 [(5)] (6) "Eligible higher education institution", any approved public or private
45 institution as defined in section 173.205, RSMo;

46 [(6)] (7) "Eligible job enhancement business", a new, existing, or expanding firm
47 operating in Missouri, or as a condition of accepting the linked deposit, will locate a facility or
48 office in Missouri associated with said linked deposit, which employs ten or more employees
49 in Missouri on a yearly average and which, as nearly as possible, is able to establish or retain
50 at least one job in Missouri for each fifty thousand dollars received from a linked deposit loan;

51 [(7)] (8) "Eligible lending institution", a financial institution that is eligible to make
52 commercial or agricultural or student loans or discount or purchase such loans, is a public
53 depository of state funds or obtains its funds through the issuance of obligations, either directly
54 or through a related entity, eligible for the placement of state funds under the provisions of
55 section 15, article IV, Constitution of Missouri, and agrees to participate in the linked deposit
56 program;

57 [(8)] (9) "Eligible livestock operation", any person engaged in production of livestock
58 or poultry in an authorized farm corporation, family farm, or family farm corporation as defined
59 in section 350.010, RSMo;

60 [(9)] (10) "Eligible locally owned business", any person seeking to establish a new firm,
61 partnership, cooperative company, or corporation that shall retain at least fifty-one percent
62 ownership by residents in a county in which the business is headquartered, that consists of the
63 following characteristics:

64 (a) The county has a median population of twelve thousand five hundred or less; and

65 (b) The median income of residents in the county are equal to or less than the state
66 median income; or

67 (c) The unemployment rate of the county is equal to or greater than the state's
68 unemployment rate;

69 [(10)] **(11)** "Eligible marketing enterprise", a business enterprise operating in this state
70 which is in the process of marketing its goods, products or services within or outside of this state
71 or overseas, which marketing is designed to increase manufacturing, transportation, mining,
72 communications, or other enterprises in this state, which has proposed its marketing plan and
73 strategy to the department of economic development and which plan and strategy has been
74 approved by the department for purposes of eligibility pursuant to sections 30.750 to 30.767.
75 Such business enterprise shall conform to the characteristics of paragraphs (a), (b) and (d) of
76 subdivision [(4)] **(5)** of this section and also employ less than twenty-five employees;

77 [(11)] **(12)** "Eligible multitenant development enterprise", a new enterprise that
78 develops multitenant space for targeted industries as determined by the department of economic
79 development and approved by the department for the purposes of eligibility pursuant to sections
80 30.750 to 30.767;

81 [(12)] **(13)** "Eligible residential property developer", an individual who purchases and
82 develops a residential structure of either two or four units, if such residential property developer
83 uses and agrees to continue to use, for at least the five years immediately following the date of
84 issuance of the linked deposit loan, one of the units as his principal residence or if such person's
85 principal residence is located within one-half mile from the developed structure and such person
86 agrees to maintain the principal residence within one-half mile of the developed structure for at
87 least the five years immediately following the date of issuance of the linked deposit loan;

88 [(13)] **(14)** "Eligible residential property owner", a person, firm or corporation who
89 purchases, develops or rehabilitates a multifamily residential structure;

90 [(14)] **(15)** "Eligible small business", a person engaged in an activity with the purpose
91 of obtaining, directly or indirectly, a gain, benefit or advantage and which conforms to the
92 characteristics of paragraphs (a), (b) and (d) of subdivision [(4)] **(5)** of this section, and also
93 employs less than twenty-five employees;

94 [(15)] **(16)** "Eligible student borrower", any person attending, or the parent of a
95 dependent undergraduate attending, an eligible higher education institution in Missouri who may
96 or may not qualify for need-based student financial aid calculated by the federal analysis called
97 Congressional Methodology Formula pursuant to 20 U.S.C. 1078, as amended (the Higher
98 Education Amendments of 1986);

99 [(16)] **(17)** "Eligible water supply system", a water system which serves fewer than fifty
100 thousand persons and which is owned and operated by:

101 (a) A public water supply district established pursuant to chapter 247, RSMo; or

102 (b) A municipality or other political subdivision; or

103 (c) A water corporation;

104 and which is certified by the department of natural resources in accordance with its rules and
105 regulations to have suffered a significant decrease in its capacity to meet its service needs as a
106 result of drought;

107 [(17)] **(18) "Farming"**, using or cultivating land for the production of agricultural crops,
108 livestock or livestock products, forest products, poultry or poultry products, milk or dairy
109 products, or fruit or other horticultural products;

110 [(18)] **(19) "Linked deposit"**, a certificate of deposit, or in the case of production credit
111 associations, the subscription or purchase outright of obligations described in section 15, article
112 IV, Constitution of Missouri, placed by the state treasurer with an eligible lending institution at
113 rates otherwise provided by law in section 30.758, provided the institution agrees to lend the
114 value of such deposit, according to the deposit agreement provided in sections 30.750 to 30.767,
115 to eligible small businesses, **eligible alternative energy operations**, eligible locally owned
116 businesses, farming operations, eligible job enhancement businesses, eligible marketing
117 enterprises, eligible residential property developers, eligible residential property owners, eligible
118 agribusinesses, eligible beginning farmers, eligible livestock operations, eligible student
119 borrowers, eligible facility borrowers, or eligible water supply systems at below the present
120 borrowing rate applicable to each small business, farming operation, eligible job enhancement
121 business, eligible marketing enterprise, eligible residential property developer, eligible
122 residential property owner, eligible agribusiness, eligible beginning farmer, eligible livestock
123 operation, eligible student borrower, or supply system at the time of the deposit of state funds
124 in the institution;

125 [(19)] **(20) "Market rate"**, the interest rate tied to federal government securities and
126 more specifically described in subsection 4 of section 30.260;

127 **(21) "Professional forester"**, any individual who holds a bachelor of science degree
128 in forestry from a regionally accredited college or university with a minimum of two years
129 of professional forest management experience;

130 **(22) "Qualified biomass"**, any agriculture-derived organic material or any wood-
131 derived organic material harvested in accordance with a site specific forest management
132 plan focused on long-term forest sustainability developed by a professional forester and
133 qualified, in consultation with the conservation commission, by the agriculture and small
134 business development authority;

135 [(20)] **(23) "Water corporation"**, as such term is defined in section 386.020, RSMo;

136 [(21)] **(24) "Water system"**, as such term is defined in section 386.020, RSMo.

30.753. 1. The state treasurer may invest in linked deposits; however, the total amount
2 so deposited at any one time shall not exceed, in the aggregate, seven hundred twenty million
3 dollars. No more than three hundred thirty million dollars of the aggregate deposit shall be used
4 for linked deposits to eligible farming operations, eligible locally owned businesses, eligible

5 agribusinesses, eligible beginning farmers, eligible livestock operations, and eligible facility
6 borrowers, no more than one hundred ten million of the aggregate deposit shall be used for
7 linked deposits to small businesses, no more than twenty million dollars shall be used for linked
8 deposits to eligible multitenant development enterprises, and no more than twenty million dollars
9 of the aggregate deposit shall be used for linked deposits to eligible residential property
10 developers and eligible residential property owners, no more than two hundred twenty million
11 dollars of the aggregate deposit shall be used for linked deposits to eligible job enhancement
12 businesses and no more than twenty million dollars of the aggregate deposit shall be used for
13 linked deposit loans to eligible water systems. Linked deposit loans may be made to eligible
14 student borrowers **and eligible alternative energy operations** from the aggregate deposit. If
15 demand for a particular type of linked deposit exceeds the initial allocation, and funds initially
16 allocated to another type are available and not in demand, the state treasurer may commingle
17 allocations among the types of linked deposits.

18 2. The minimum deposit to be made by the state treasurer to an eligible lending
19 institution for eligible job enhancement business loans shall be ninety thousand dollars. Linked
20 deposit loans for eligible job enhancement businesses may be made for the purposes of assisting
21 with relocation expenses, working capital, interim construction, inventory, site development,
22 machinery and equipment, or other expenses necessary to create or retain jobs in the recipient
23 firm.

30.756. 1. An eligible lending institution that desires to receive a linked deposit shall
2 accept and review applications for linked deposit loans from eligible multitenant enterprises,
3 eligible farming operations, **eligible alternative energy operations**, eligible locally owned
4 businesses, eligible small businesses, eligible job enhancement businesses, eligible marketing
5 enterprises, eligible agribusinesses, eligible beginning farmers, eligible livestock operations,
6 eligible residential property developers, eligible residential property owners, eligible student
7 borrowers, eligible facility borrowers, and eligible water supply systems. An eligible residential
8 property owner shall certify on his or her loan application that the reduced rate loan will be used
9 exclusively to purchase, develop or rehabilitate a multifamily residential property. The lending
10 institution shall apply all usual lending standards to determine the creditworthiness of each
11 eligible multitenant enterprise, eligible farming operation, **eligible alternative energy**
12 **operation**, eligible locally owned business, eligible small business, eligible job enhancement
13 business, eligible marketing enterprise, eligible residential property developer, eligible
14 residential property owner, eligible agribusiness, eligible beginning farmer, eligible livestock
15 operation, eligible student borrower, eligible facility borrower, or eligible water supply system.
16 No linked deposit loan made to any eligible farming operation, **eligible alternative energy**
17 **operation**, eligible locally owned business, eligible livestock operation, eligible agribusiness
18 or eligible small business shall exceed a dollar limit determined by the state treasurer in the state

19 treasurer's best judgment, except as otherwise limited. Any link deposit loan made to an eligible
20 facility borrower shall be in accordance with the loan amount and loan term requirements in
21 section 30.860.

22 2. An eligible farming operation, small business or job enhancement business shall
23 certify on its loan application that the reduced rate loan will be used exclusively for necessary
24 production expenses or the expenses listed in subsection 2 of section 30.753 or the refinancing
25 of an existing loan for production expenses or the expenses listed in subsection 2 of section
26 30.753 of an eligible farming operation, small business or job enhancement business. Whoever
27 knowingly makes a false statement concerning such application is guilty of a class A
28 misdemeanor. An eligible water supply system shall certify on its loan application that the
29 reduced rate loan shall be used exclusively to pay the costs of upgrading or repairing an existing
30 water system, constructing a new water system, or making other capital improvements to a water
31 system which are necessary to improve the service capacity of the system.

32 3. In considering which eligible farming operations should receive reduced-rate loans,
33 the eligible lending institution shall give priority to those farming operations which have
34 suffered reduced yields due to drought or other natural disasters and for which the receipt of a
35 reduced-rate loan will make a significant contribution to the continued operation of the recipient
36 farming operation.

37 4. The eligible financial institution shall forward to the state treasurer a linked deposit
38 loan package, in the form and manner as prescribed by the state treasurer. The package shall
39 include such information as required by the state treasurer, including the amount of each loan
40 requested. The institution shall certify that each applicant is an eligible farming operation,
41 **eligible alternative energy operation**, eligible locally owned business, eligible small business,
42 eligible job enhancement business, eligible marketing enterprise, eligible residential property
43 developer, eligible residential property owner, eligible agribusiness, eligible beginning farmer,
44 eligible livestock operation, eligible student borrower, eligible facility borrower, or eligible
45 water supply system, and shall, for each eligible farming operation, small business, eligible job
46 enhancement business, eligible marketing enterprise, eligible residential property developer,
47 eligible residential property owner, eligible agribusiness, eligible beginning farmer, eligible
48 livestock operation, eligible student borrower, eligible facility borrower, or eligible water supply
49 system, certify the present borrowing rate applicable.

50 5. The eligible lending institution shall be responsible for determining if a student
51 borrower is an eligible student borrower. A student borrower shall be eligible for an initial or
52 renewal reduced-rate loan only if, at the time of the application for the loan, the student is a
53 citizen or permanent resident of the United States, a resident of the state of Missouri as defined
54 by the coordinating board for higher education, is enrolled or has been accepted for enrollment
55 in an eligible higher education institution, and establishes that the student has financial need.

56 In considering which eligible student borrowers may receive reduced-rate loans, the eligible
57 lending institution may give priority to those eligible student borrowers whose income, or whose
58 family income, if the eligible student borrower is a dependent, is such that the eligible student
59 borrower does not qualify for need-based student financial aid pursuant to 20 U.S.C. 1078, as
60 amended (the Higher Education Amendments of 1986). The eligible lending institution shall
61 require the eligible student borrower to document that the student has applied for and has
62 obtained all need-based student financial aid for which the student is eligible prior to application
63 for a reduced-rate loan pursuant to this section. In no case shall the combination of all financial
64 aid awarded to any student in any particular enrollment period exceed the total cost of
65 attendance at the institution in which the student is enrolled. No eligible lending institution shall
66 charge any additional fees, including but not limited to an origination, service or insurance fee
67 on any loan agreement under the provisions of sections 30.750 to 30.765.

68 6. The eligible lending institution making an initial loan to an eligible student borrower
69 may make a renewal loan or loans to the student. The total of such reduced-rate loans from
70 eligible lending institutions made pursuant to this section to any individual student shall not
71 exceed the cumulative totals established by 20 U.S.C. 1078, as amended. An eligible student
72 borrower shall certify on his or her loan application that the reduced rate loan shall be used
73 exclusively to pay the costs of tuition, incidental fees, books and academic supplies, room and
74 board and other fees directly related to enrollment in an eligible higher education institution.
75 The eligible lending institution shall make the loan payable to the eligible student borrower and
76 the eligible higher education institution as co-payees. The method of repayment of the loan shall
77 be the same as for repayment of loans made pursuant to sections 173.095 to 173.186, RSMo.

78 7. Beginning August 28, 2005, in considering which eligible multitenant enterprise,
79 eligible farming operation, **eligible alternative energy operation**, eligible locally owned
80 business, eligible small business, eligible job enhancement business, eligible marketing
81 enterprise, eligible residential property developer, eligible residential property owner, eligible
82 agribusiness, eligible beginning farmer, eligible livestock operation, eligible student borrower,
83 eligible facility borrower, or eligible water supply system should receive reduced-rate loans, the
84 eligible lending institution shall give priority to an eligible multitenant enterprise, eligible
85 farming operation, **eligible alternative energy operation**, eligible locally owned business,
86 eligible small business, eligible job enhancement business, eligible marketing enterprise, eligible
87 residential property developer, eligible residential property owner, eligible agribusiness, eligible
88 beginning farmer, eligible livestock operation, eligible student borrower, eligible facility
89 borrower, or eligible water supply system that has not previously received a reduced-rate loan
90 through the linked deposit program. However, nothing shall prohibit an eligible lending
91 institution from making a reduced-rate loan to any entity that previously has received such a
92 loan, if such entity otherwise qualifies for such a reduced-rate loan.

30.758. 1. The state treasurer may accept or reject a linked deposit loan package or any
2 portion thereof.

3 2. The state treasurer shall make a good faith effort to ensure that the linked deposits are
4 placed with eligible lending institutions to make linked deposit loans to minority- or
5 female-owned eligible multitenant enterprises, eligible farming operations, **eligible alternative**
6 **energy operations**, eligible locally owned businesses, eligible small businesses, eligible job
7 enhancement businesses, eligible marketing enterprises, eligible residential property developers,
8 eligible residential property owners, eligible agribusinesses, eligible beginning farmers, eligible
9 livestock operations, eligible student borrowers, eligible facility borrowers, or eligible water
10 supply systems. Results of such effort shall be included in the linked deposit review committee's
11 annual report to the governor.

12 3. Upon acceptance of the linked deposit loan package or any portion thereof, the state
13 treasurer may place linked deposits with the eligible lending institution as follows: when market
14 rates are five percent or above, the state treasurer shall reduce the market rate by up to three
15 percentage points to obtain the linked deposit rate; when market rates are less than five percent,
16 the state treasurer shall reduce the market rate by up to sixty percent to obtain the linked deposit
17 rate, provided that the linked deposit rate is not below one percent. All linked deposit rates are
18 determined and calculated by the state treasurer. When necessary, the treasurer may place linked
19 deposits prior to acceptance of a linked deposit loan package.

20 4. The eligible lending institution shall enter into a deposit agreement with the state
21 treasurer, which shall include requirements necessary to carry out the purposes of sections
22 30.750 to 30.767. The deposit agreement shall specify the length of time for which the lending
23 institution will lend funds upon receiving a linked deposit, and the original deposit plus renewals
24 shall not exceed five years, except as otherwise provided in this chapter. The agreement shall
25 also include provisions for the linked deposit of a linked deposit for an eligible facility borrower,
26 eligible multitenant enterprise, eligible farming operation, **eligible alternative energy**
27 **operation**, eligible locally owned business, small business, eligible marketing enterprise,
28 eligible residential property developer, eligible residential property owner, eligible agribusiness,
29 eligible beginning farmer, eligible livestock operation, eligible student borrower or job
30 enhancement business. Interest shall be paid at the times determined by the state treasurer.

31 5. The period of time for which such linked deposit is placed with an eligible lending
32 institution shall be neither longer nor shorter than the period of time for which the linked deposit
33 is used to provide loans at reduced interest rates. The agreement shall further provide that the
34 state shall receive market interest rates on any linked deposit or any portion thereof for any
35 period of time for which there is no corresponding linked deposit loan outstanding to an eligible
36 multitenant enterprise, eligible farming operation, **eligible alternative energy operation**,
37 eligible locally owned business, eligible small business, eligible job enhancement business,

38 eligible marketing enterprise, eligible residential property developer, eligible residential property
39 owner, eligible agribusiness, eligible beginning farmer, eligible livestock operation, eligible
40 student borrower, eligible facility borrower, or eligible water supply system, except as otherwise
41 provided in this subsection. Within thirty days after the annual anniversary date of the linked
42 deposit, the eligible lending institution shall repay the state treasurer any linked deposit principal
43 received from borrowers in the previous yearly period and thereafter repay such principal within
44 thirty days of the yearly anniversary date calculated separately for each linked deposit loan, and
45 repaid at the linked deposit rate. Such principal payment shall be accelerated when more than
46 thirty percent of the linked deposit loan is repaid within a single monthly period. Any principal
47 received and not repaid, up to the point of the thirty percent or more payment, shall be repaid
48 within thirty days of that payment at the linked deposit rate. Finally, when the linked deposit
49 is tied to a revolving line of credit agreement between the banking institution and its borrower,
50 the full amount of the line of credit shall be excluded from the repayment provisions of this
51 subsection.

30.760. 1. Upon the placement of a linked deposit with an eligible lending institution,
2 such institution is required to lend such funds to each approved eligible multitenant enterprise,
3 eligible farm operation, **eligible alternative energy operation**, eligible locally owned business,
4 eligible small business, eligible job enhancement business, eligible marketing enterprise, eligible
5 residential property developer, eligible residential property owner, eligible agribusiness, eligible
6 beginning farmer, eligible livestock operation, eligible student borrower, eligible facility
7 borrower, or eligible water supply system listed in the linked deposit loan package required by
8 section 30.756 and in accordance with the deposit agreement required by section 30.758. The
9 loan shall be at a fixed rate of interest reduced by the amount established under subsection 3 of
10 section 30.758 to each eligible multitenant enterprise, eligible farming operation, **eligible**
11 **alternative energy operation**, eligible locally owned business, eligible small business, eligible
12 job enhancement business, eligible marketing enterprise, eligible residential property developer,
13 eligible residential property owner, eligible agribusiness, eligible beginning farmer, eligible
14 livestock operation, eligible student borrower, eligible facility borrower, or eligible water supply
15 system as determined pursuant to rules and regulations promulgated by the state treasurer under
16 the provisions of chapter 536, RSMo, including emergency rules issued pursuant to section
17 536.025, RSMo. In addition, the loan agreement shall specify that the eligible multitenant
18 enterprise, eligible farming operation, **eligible alternative energy operation**, eligible locally
19 owned business, eligible small business, eligible job enhancement business, eligible marketing
20 enterprise, eligible residential property developer, eligible residential property owner, eligible
21 agribusiness, eligible beginning farmer, eligible livestock operation, eligible student borrower,
22 eligible facility borrower, or eligible water supply system shall use the proceeds as required by
23 sections 30.750 to 30.765, and that in the event the loan recipient does not use the proceeds in

24 the manner prescribed by sections 30.750 to 30.765, the remaining proceeds shall be
25 immediately returned to the lending institution and that any proceeds used by the loan recipient
26 shall be repaid to the lending institution as soon as practicable. All records and documents
27 pertaining to the programs established by sections 30.750 to 30.765 shall be segregated by the
28 lending institution for ease of identification and examination. A certification of compliance with
29 this section in the form and manner as prescribed by the state treasurer shall be required of the
30 eligible lending institution. Any lender or lending officer of an eligible lending institution who
31 knowingly violates the provisions of sections 30.750 to 30.765 is guilty of a class A
32 misdemeanor.

33 2. The state treasurer shall take any and all steps necessary to implement the linked
34 deposit program and monitor compliance of eligible multitenant enterprises, eligible lending
35 institutions, eligible farming operations, **eligible alternative energy operations**, eligible locally
36 owned businesses, eligible small businesses, eligible job enhancement businesses, eligible
37 marketing enterprises, eligible residential property developers, eligible residential property
38 owners, eligible agribusinesses, eligible beginning farmers, eligible livestock operations, eligible
39 facility borrowers, or eligible water supply systems.

30.765. The state and the state treasurer are not liable to any eligible lending institution
2 in any manner for payment of the principal or interest on the loan to an eligible multitenant
3 enterprise, eligible farm operation, **eligible alternative energy operation**, eligible locally
4 owned business, eligible small business, eligible job enhancement business, eligible marketing
5 enterprise, eligible residential property developer, eligible residential property owner, eligible
6 agribusiness, eligible beginning farmer, eligible livestock operation, eligible student borrower,
7 eligible facility borrower, or eligible water supply system. Any delay in payments or default on
8 the part of an eligible multitenant enterprise, eligible farming operation, **eligible alternative**
9 **energy operation**, eligible locally owned business, eligible small business, eligible job
10 enhancement business, eligible marketing enterprise, eligible residential property developer,
11 eligible residential property owner, eligible agribusiness, eligible beginning farmer, eligible
12 livestock operation, eligible student borrower, eligible facility borrower, or eligible water supply
13 system does not in any manner affect the deposit agreement between the eligible lending
14 institution and the state treasurer.

**135.032. 1. This section shall be known and may be cited as the "Green Building
2 Tax Credit".**

3 **2. As used in this section, the following terms mean:**

4 **(1) "Applicant", a taxpayer who is either the owner or builder or contract**
5 **purchaser of a building, and is applying for a green building tax credit for such building;**

6 **(2) "Base building", all areas of a building not intended for occupancy by a tenant**
7 **or owner, including, but not limited to, the structural components of the building, exterior**

8 walls, floors, windows, roofs, foundations, chimneys and stacks, parking areas, mechanical
9 rooms and mechanical systems, and owner-controlled and/or operated service spaces,
10 sidewalks, main lobby, shafts and vertical transportation mechanisms, stairways, and
11 corridors;

12 (3) "Commissioning", the process of verifying and ensuring that the entire building
13 and the systems within are designed, constructed, functionally tested, and calibrated to
14 operate as intended;

15 (4) "Credit allowance year", the year as stated on the preliminary credit certificate
16 by the director;

17 (5) "Department", the department of natural resources;

18 (6) "Director", the director of the department of natural
19 resources;

20 (7) "Economic development area", an economic development area as defined under
21 section 99.805, RSMo;

22 (8) "Eligible building", a building located within the state, which is:

23 (a) A residential multi-family building;

24 (b) A residential, single-family, detached dwelling;

25 (c) A building used for commercial or industrial purposes; or

26 (d) Any combination of buildings described in paragraphs (a) to (d) of this
27 subdivision;

28 (9) "Energy and Atmosphere Credit Number One", the credit awarded by the
29 Leadership in Energy and Environmental Design (LEED) Green Building Rating System,
30 which requires increased energy performance above the standard as defined in the most
31 current version of the LEED-NC or LEED-EB Rating System;

32 (10) "Energy and Atmosphere Credit Number Three", the credit awarded by the
33 LEED Green Building Rating System, which requires additional commissioning above the
34 fundamental commissioning prerequisite as defined in the most current version
35 of the LEED-NC or LEED-EB Rating System;

36 (11) "Gold rating", the rating in compliance with, or exceeding, the second highest
37 rating awarded by the USGBC LEED certification process;

38 (12) "Green base building", a base building that meets all requirements in the most
39 current version of the U.S. Green Building Council's Leadership in Energy and
40 Environmental Design Rating System for Core and Shell or that meets the most current
41 requirements for at least a three globes rating under Green Globes;

42 (13) "Green building" or "high-performance building", a building that is designed
43 to achieve integrated systems design and construction so as to significantly reduce or
44 eliminate the negative impact of the built environment on the following:

- 45 (a) Site conservation and sustainable planning;
46 (b) Water conservation and efficiency;
47 (c) Energy efficiency and renewable energy;
48 (d) Conservation of materials and resources; and
49 (e) Indoor environmental quality and human health;
- 50 (14) "Green Globes", an environmental assessment and rating tool for green
51 buildings developed by the Green Building Initiative;
- 52 (15) "Green tenant space", a tenant space as defined under subdivision (24) of this
53 section that meets all requirements in the most current version of the U.S. Green Building
54 Council's Leadership in Energy and Environmental Design Rating System for Commercial
55 Interiors or that meets the most current requirements for at least a three globes rating
56 under Green Globes;
- 57 (16) "Green whole building", a whole building that meets all requirements in the
58 most current version of the U.S. Green Building Council's Leadership in Energy and
59 Environmental Design Rating System for New Building Construction and Major
60 Renovations LEED-NC, as amended from time to time, or that meets all requirements in
61 the most current version of the U.S. Green Building Council's Leadership in Energy and
62 Environmental Design Rating System for Existing Buildings, or that meets the most
63 current requirements for at least a three globes rating under Green Globes;
- 64 (17) "LEED-CI" or "LEED Green Building Rating System Version LEED-CI" ,
65 the most current Leadership in Energy and Environmental Design Green Building Rating
66 System guidelines developed and the United States Green Building Council for commercial
67 interiors;
- 68 (18) "LEED-CS" or "LEED Green Building Rating System Version LEED-CS",
69 the most current Leadership in Energy and Environmental Design Green Building Rating
70 System guidelines developed and adopted by the United States Green Building Council for
71 the core and shell of buildings otherwise known as the base building;
- 72 (19) "LEED-EB" or "LEED Green Building Rating System Version LEED-EB",
73 the most current Leadership in Energy and Environmental Design Green Building Rating
74 System guidelines developed and adopted by the United States Green Building Council for
75 existing buildings;
- 76 (20) "LEED-NC" or "LEED Green Building Rating System Version LEED-NC",
77 the most current Leadership in Energy and Environmental Design Green Building Rating
78 System developed and adopted by the United States Green Building Council for new
79 buildings and major renovations;
- 80 (21) "Platinum rating", the rating in compliance with, or exceeding, the highest
81 rating awarded by the USGBC LEED certification process;

82 (22) "Silver rating", the rating in compliance with, or exceeding, the third highest
83 rating awarded by the USGBC LEED certification process;

84 (23) "State tax liability", in the case of a business taxpayer, any liability incurred
85 by such taxpayer pursuant to the provisions of chapters 143, 147, 148, and 153, RSMo,
86 excluding sections 143.191 to 143.265, RSMo, and related provisions, and in the case of an
87 individual taxpayer, any liability incurred by such taxpayer under the provisions of
88 chapter 143, RSMo, excluding sections 143.191 to 143.265, RSMo, and related provisions;

89 (24) "Tenant space", the portion of a building intended for occupancy by a tenant
90 or occupying owner;

91 (25) "United States Green Building Council" or "USGBC", the specific council
92 which measures and evaluates the energy and environmental performance of a building
93 according to its own Leadership in Energy and Environmental Design Rating System;

94 (26) "Whole building", the entire building, as comprised of the base building and
95 tenant space.

96 3. (1) The green building tax credit shall be available to an applicant for:

97 (a) Either the construction of a green building or the rehabilitation of a building,
98 which is not a green building, into a green building;

99 (b) The construction or rehabilitation of a base building which is not a green base
100 building, into a green base building; or

101 (c) The construction or rehabilitation of a tenant space which is not green tenant
102 space, into green tenant space.

103 (2) An applicant may apply for a green building tax credit provided that the facility
104 subject to the green building tax credit is located within the state and the applicant will be
105 the owner or contract purchaser of the facility at the time of erection, construction,
106 installation, or acquisition of the proposed facility.

107 (3) If a credit is allowed to a building owner pursuant to this section with respect
108 to property, and such property or an interest therein is sold, the credit for the period after
109 the sale, which would have been allowable under this section to the prior owner, shall be
110 allowable to the new owner. Credit for the year of sale shall be allocated between the
111 parties on the basis of the number of days during such year that the property or interest
112 was held by each.

113 (4) In the case of allowance of credit under this section to a successor owner as
114 provided in subdivision (3) of this subsection, the director shall have the authority to reveal
115 to the successor owner any information, with respect to the credit of the prior owner,
116 which is the basis for the denial in whole or in part of the credit claimed by such successor
117 owner.

118 **4. An applicant shall be eligible for a green building tax credit against a state tax**
119 **liability provided such applicant complies with the requirements of subsection 5 of this**
120 **section and provided that the building meets the requirements of an eligible building as set**
121 **forth in subdivision (8) of subsection 2 of this section. The amount of credit shall be**
122 **determined pursuant to subsection 7 of this section, but the total amount of tax credits**
123 **issued to a single applicant under this section shall not exceed fifty thousand dollars per**
124 **tax year.**

125 **(1) The credit amount shall be the sum of the following credit components,**
126 **whichever are applicable:**

127 **(a) The green whole-building credit component shall be available to an applicant**
128 **for either the construction of a green building or the rehabilitation of a building which is**
129 **not a green whole building into a green whole building. The green whole-building credit**
130 **component may not be allowed for any taxable year unless all the requirements under**
131 **subsection 5 of this section are met; and**

132 **a. The whole building achieves a Silver, Gold, or Platinum Rating as approved by**
133 **the LEED-NC Green Building Rating System, as amended from time to time, or the most**
134 **recent version, for a new building and for major renovations; or, LEED Green Building**
135 **Rating System Version LEED-EB, or the most recent version, for an existing building; or**

136 **b. The whole building achieves at least a three globes rating under the most current**
137 **requirements of Green Globes;**

138 **(b) The green base building credit component shall be available to an applicant**
139 **who is the contract owner for either the construction of a green building or the**
140 **rehabilitation of a building, which is not a green base building, into a green base building.**
141 **The green base building credit component may not be allowed for any taxable year unless**
142 **all the requirements under subsection 5 of this section are met; and**

143 **a. The base building achieves a Silver, Gold, or Platinum Rating as approved by**
144 **the LEED-CS Green Building Rating System, or the most recent version thereof; or**

145 **b. The base building achieves at least a three globes rating under the most current**
146 **requirements of Green Globes;**

147 **(c) The green tenant space credit component shall be available to an applicant for**
148 **constructing tenant space or rehabilitating tenant space, which is not green tenant space,**
149 **into green tenant space. The green tenant space credit component may not be allowed for**
150 **a taxable year unless all the requirements under subsection 5 of this section are met; and**

151 **a. The tenant space achieves a Silver, Gold, or Platinum Rating as approved by the**
152 **LEED-CI Green Building Rating System, or the most recent version thereof; or**

153 **b. The tenant space achieves at least a three globes rating under the most current**
154 **requirements of Green Globes.**

155 (2) For each component eligible to receive credit such credit component amount
156 shall not exceed the maximum amount specified in the preliminary certificate issued
157 pursuant to subsection 8 of this section.

158 5. (1) The green building tax credit shall not be allowed for any taxable year unless
159 the following are met:

160 (a) The applicant has obtained and filed a preliminary credit certificate issued
161 under subsection 8 or 9 of this section;

162 (b) The building is in service as shown by a certificate of occupancy or other
163 acceptable form of documentation as determined by the department; and

164 (c) The whole building, base building or tenant space has achieved either:

165 a. At least a three globes rating under the most current requirements for Green
166 Globes; or

167 b. A Silver, Gold, or Platinum rating as approved by the applicable and most
168 recent LEED Green Building Rating System as determined under subsection 4 of this
169 section and in achieving its LEED rating, the whole building, base building, or tenant space
170 must earn:

171 i. At least four LEED points for Energy and Atmosphere Credit Number One, or
172 the equivalent points under any subsequent version of LEED; and

173 ii. The point for Energy and Atmosphere Credit Number Three, or the equivalent
174 points under any subsequent version of LEED.

175 (2) For each component eligible to receive credit under subsection 4 of this section,
176 once construction is complete and an occupancy certificate is received, such credit
177 component amount shall be allowed for each of the next four succeeding taxable years
178 provided that the applicant obtains an eligibility certificate that meets all requirements for
179 an eligibility certificate as described in paragraph (b) of subdivision (3) of subsection 10
180 of this section.

181 (3) When filing with the department of revenue, the applicant shall file the
182 eligibility certificate and the preliminary credit component certificate with the claim for
183 credit. Allowable costs in this subsection and for all five years that the credit may be
184 available shall not exceed, in the aggregate, the amount determined under subsections 4,
185 6, and 7 of this section.

186 6. For tax years beginning on or after January 1, 2010, the tax credits authorized
187 under this section may be used to satisfy taxes owed under chapters 143, 147, and 148,
188 RSMo, excluding sections 143.191 to 143.265, RSMo, in the tax year the credit is issued.
189 Tax credits issued under this section shall be refundable and may be transferred, sold, or
190 assigned by notarized endorsement, which names the transferee. In no case shall the
191 aggregate amount of all tax credits issued under this section exceed one million dollars per
192 tax year.

193 **7. As soon as practicable, but not later than December 1, 2009, the department shall**
194 **promulgate rules, in accordance with the provisions of this section, to:**

195 **(1) Determine the amount of green building tax credit available to a taxpayer based**
196 **on the following:**

197 **(a) The amount of floor space in the building;**
198 **(b) The square footage of the building;**
199 **(c) The green globes rating or the level of LEED rating achieved by the building,**
200 **with higher ratings corresponding to greater tax credits; and**

201 **(d) Whether the building is located in an economic development area with a higher**
202 **tax credit corresponding to those buildings located in an economic development area;**

203 **(2) Determine allowable credit for each of:**

204 **(a) The whole green building credit component;**
205 **(b) The base green building credit component; and**
206 **(c) The green tenant space credit component.**

207
208 **The department shall promulgate rules for granting green building tax credits to**
209 **applicants constructing or owning buildings that achieve National Association of Home**
210 **Builder Model Green Building Ratings that are substantially similar to the performance**
211 **standards set forth in this bill. Any rule or portion of a rule, as that term is defined in**
212 **section 536.010, RSMo, that is created under the authority delegated in this section shall**
213 **become effective only if it complies with and is subject to all of the provisions of chapter**
214 **536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536,**
215 **RSMo, are nonseverable and if any of the powers vested with the general assembly**
216 **pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and**
217 **annul a rule are subsequently held unconstitutional, then the grant of rulemaking**
218 **authority and any rule proposed or adopted after August 28, 2008, shall be invalid and**
219 **void.**

220 **8. (1) Prior to construction of a proposed facility an applicant may apply to the**
221 **department for preliminary certification if the applicant will be the owner or contract**
222 **purchaser of the facility at the time of construction.**

223 **(2) An application for preliminary certification shall be made in writing on a form**
224 **prepared by the department and shall contain:**

225 **(a) A statement that the applicant plans to construct a facility that meets the**
226 **requirements under subsection 5 of this section;**

227 **(b) A detailed description of the proposed facility and its operation and information**
228 **showing that the facility shall operate as represented in the application;**

229 **(c) The estimated start and finish date of the construction of the facility;**

(d) Evidence of official registration in the LEED system or green globes rating system; and

(e) Any other information determined by the director to be necessary prior to issuance of a preliminary certificate.

(3) The director may allow an applicant to file the preliminary application after the start of the construction of the facility if the director finds that filing the application before the start of construction is inappropriate because special circumstances render filing earlier unreasonable.

(4) If the director determines that the proposed construction is technically feasible and should operate in accordance with the representations made by the applicant, and is in accordance with the provisions under subsection 5 of this section and any applicable rules or standards adopted by the director, the director shall issue a preliminary credit certificate approving the construction of the facility. The preliminary credit certificate shall state the following:

(a) The first taxable year for which the credit may be applied;

(b) The expiration date of the tax credit. Such expiration date may be extended at the discretion of the director in order to avoid unwarranted hardship; and

(c) The maximum amount of the total credit allowed and the maximum amount of credit allowed in any single tax year.

(5) If the director determines that the construction does not comply with the provisions under subsection 5 of this section and applicable rules and standards, the director shall issue an order denying certification.

9. (1) To change a project that has already received preliminary certification, the applicant shall file a written request to the director which states:

(a) A detailed description of the changes;

(b) The reasons for the changes; and

(c) The effects that the changes will have on the amount of tax credit stated by the preliminary certification.

(2) The director shall make the determination as to whether the changed project complies with the requirements under subsection 5 of this section.

(a) If the changed project complies with the requirements under subsection 5 of this section, then the director shall issue an amended preliminary certification.

(b) If the changed project fails to comply with the requirements under subsection 5 of this section, then the director shall issue an order that revokes the preliminary certification.

10. (1) No final certification shall be issued by the director under this subsection unless the facility was constructed under a preliminary certificate of approval issued under subsection 8 of this section.

268 **(2) An applicant may apply to the department for final certification of a facility:**
269 **(a) If the department issued preliminary certification for the facility under**
270 **subsection 8 of this section; and**

271 **(b) After completion of construction of the proposed facility.**
272 **(3) An application for final certification shall be made in writing on a form**
273 **prepared by the department and shall contain:**

274 **(a) A statement that the conditions of the preliminary certification have been**
275 **complied with;**

276 **(b) An eligibility certificate from the project architect or professional engineer**
277 **licensed to practice in the state of Missouri or from a LEED accredited professional that**
278 **consists of a certification by either:**

279 **a. The Green Building Initiative that the building with respect to which the credit**
280 **is claimed meets the requirements for a green globes rating; or**

281 **b. The United States Green Building Council that the building with respect to**
282 **which the credit is claimed is LEED certified and that in achieving its LEED rating, the**
283 **building has earned at least four LEED points for Energy and Atmosphere Credit Number**
284 **One and the Energy and Atmosphere Credit Number Three;**

285 **(c) A statement of the level of Green Globes or LEED performance achieved by the**
286 **building to permit determination of the proper credit amount under subsection 6 of this**
287 **section;**

288 **(d) A statement that the facility is in operation; and**

289 **(e) Any other information determined by the director to be necessary prior to**
290 **issuance of a final certificate, including inspection of the facility by the department.**

291 **11. (1) The director may order the revocation of the final certificate issued under**
292 **subsection 10 of this section if the director finds that:**

293 **(a) The certification was obtained by fraud or misrepresentation; or**

294 **(b) The holder of the certificate has failed substantially to construct the facility in**
295 **compliance with the plans, specification, and procedures in such certificate.**

296 **(2) As soon as the order of revocation under this subsection becomes final, the**
297 **director shall notify the department of revenue of such order.**

298 **(3) If the certificate is ordered revoked under paragraph (a) of subdivision (1) of**
299 **this subsection, all prior tax credits provided to the applicant by virtue of such certificate**
300 **shall be forfeited, and upon notification under subdivision (2) of this subsection, the**
301 **department of revenue immediately shall proceed to collect those taxes not paid by the**
302 **applicant as a result of the tax credits provided to the applicant under this section.**

303 **(4) If the certificate is ordered revoked under this subsection, the applicant shall**
304 **be denied any tax credit under this section in connection with such facility after the date**
305 **that the order of revocation becomes final.**

306 **12. Pursuant to section 23.253, RSMo, of the Missouri sunset act:**

307 **(1) The tax credit authorized under this section shall automatically sunset three**
308 **years after the effective date of this section unless reauthorized by an act of the general**
309 **assembly; and**

310 **(2) If such program is reauthorized, the program authorized under this section**
311 **shall automatically sunset twelve years after the effective date of the reauthorization of this**
312 **section; and**

313 **(3) This section shall terminate on September first of the calendar year**
314 **immediately following the calendar year in which a program authorized under this section**
315 **is sunset.**

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the
2 taxpayer's federal adjusted gross income subject to the modifications in this section.

3 2. There shall be added to the taxpayer's federal adjusted gross income:

4 (a) The amount of any federal income tax refund received for a prior year which resulted
5 in a Missouri income tax benefit;

6 (b) Interest on certain governmental obligations excluded from federal gross income by
7 Section 103 of the Internal Revenue Code. The previous sentence shall not apply to interest on
8 obligations of the state of Missouri or any of its political subdivisions or authorities and shall
9 not apply to the interest described in subdivision (a) of subsection 3 of this section. The amount
10 added pursuant to this paragraph shall be reduced by the amounts applicable to such interest that
11 would have been deductible in computing the taxable income of the taxpayer except only for the
12 application of Section 265 of the Internal Revenue Code. The reduction shall only be made if
13 it is at least five hundred dollars;

14 (c) The amount of any deduction that is included in the computation of federal taxable
15 income pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation
16 and Worker Assistance Act of 2002 to the extent the amount deducted relates to property
17 purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount
18 deducted exceeds the amount that would have been deductible pursuant to Section 168 of the
19 Internal Revenue Code of 1986 as in effect on January 1, 2002;

20 (d) The amount of any deduction that is included in the computation of federal taxable
21 income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986, as
22 amended, other than the deduction allowed by Section 172(b)(1)(G) and Section 172(i) of the
23 Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the
24 tax year in which the net operating loss occurred or carries forward for a period of more than
25 twenty years and carries backward for more than two years. Any amount of net operating loss
26 taken against federal taxable income but disallowed for Missouri income tax purposes pursuant
27 to this paragraph after June 18, 2002, may be carried forward and taken against any income on

28 the Missouri income tax return for a period of not more than twenty years from the year of the
29 initial loss; and

30 (e) For nonresident individuals in all taxable years ending on or after December 31,
31 2006, the amount of any property taxes paid to another state or a political subdivision of another
32 state for which a deduction was allowed on such nonresident's federal return in the taxable year.

33 3. There shall be subtracted from the taxpayer's federal adjusted gross income the
34 following amounts to the extent included in federal adjusted gross income:

35 (a) Interest or dividends on obligations of the United States and its territories and
36 possessions or of any authority, commission or instrumentality of the United States to the extent
37 exempt from Missouri income taxes pursuant to the laws of the United States. The amount
38 subtracted pursuant to this paragraph shall be reduced by any interest on indebtedness incurred
39 to carry the described obligations or securities and by any expenses incurred in the production
40 of interest or dividend income described in this paragraph. The reduction in the previous
41 sentence shall only apply to the extent that such expenses including amortizable bond premiums
42 are deducted in determining the taxpayer's federal adjusted gross income or included in the
43 taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total
44 at least five hundred dollars;

45 (b) The portion of any gain, from the sale or other disposition of property having a
46 higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income
47 tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is
48 considered a long-term capital gain for federal income tax purposes, the modification shall be
49 limited to one-half of such portion of the gain;

50 (c) The amount necessary to prevent the taxation pursuant to this chapter of any annuity
51 or other amount of income or gain which was properly included in income or gain and was taxed
52 pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or
53 to a decedent by reason of whose death the taxpayer acquired the right to receive the income or
54 gain, or to a trust or estate from which the taxpayer received the income or gain;

55 (d) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the
56 extent that the same are included in federal adjusted gross income;

57 (e) The amount of any state income tax refund for a prior year which was included in
58 the federal adjusted gross income;

59 (f) The portion of capital gain specified in section 135.357, RSMo, that would otherwise
60 be included in federal adjusted gross income;

61 (g) The amount that would have been deducted in the computation of federal taxable
62 income pursuant to Section 168 of the Internal Revenue Code as in effect on January 1, 2002,
63 to the extent that amount relates to property purchased on or after July 1, 2002, but before July
64 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to Section

65 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act
66 of 2002;

67 (h) For all tax years beginning on or after January 1, 2005, the amount of any income
68 received for military service while the taxpayer serves in a combat zone which is included in
69 federal adjusted gross income and not otherwise excluded therefrom. As used in this section,
70 "combat zone" means any area which the President of the United States by Executive Order
71 designates as an area in which armed forces of the United States are or have engaged in combat.
72 Service is performed in a combat zone only if performed on or after the date designated by the
73 President by Executive Order as the date of the commencing of combat activities in such zone,
74 and on or before the date designated by the President by Executive Order as the date of the
75 termination of combatant activities in such zone; and

76 (i) For all tax years ending on or after July 1, 2002, with respect to qualified property
77 that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an
78 addition modification was made under paragraph (c) of subsection 2 of this section, the amount
79 by which addition modification made under paragraph (c) of subsection 2 of this section on
80 qualified property has not been recovered through the additional subtractions provided in
81 paragraph (g) of this subsection.

82 4. There shall be added to or subtracted from the taxpayer's federal adjusted gross
83 income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

84 5. There shall be added to or subtracted from the taxpayer's federal adjusted gross
85 income the modifications provided in section 143.411.

86 6. In addition to the modifications to a taxpayer's federal adjusted gross income in this
87 section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's
88 federal adjusted gross income any gain recognized pursuant to Section 1033 of the Internal
89 Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of
90 property as a result of condemnation or the imminence thereof.

91 7. (1) As used in this subsection, "qualified health insurance premium" means the
92 amount paid during the tax year by such taxpayer for any insurance policy primarily providing
93 health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

94 (2) In addition to the subtractions in subsection 3 of this section, one hundred percent
95 of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's
96 federal adjusted gross income to the extent the amount paid for such premiums is included in
97 federal taxable income. The taxpayer shall provide the department of revenue with proof of the
98 amount of qualified health insurance premiums paid.

99 **8. (1) Beginning January 1, 2009, in addition to the subtractions provided in this**
100 **section, one hundred percent of the cost incurred by a taxpayer for a home energy audit**
101 **conducted by an entity certified by the department of natural resources under section**
102 **640.153, RSMo, or the implementation of any energy efficiency recommendations made**

in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year or cumulatively exceed two thousand dollars per taxpayer or taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally-owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2013.

144.526. 1. This section shall be known, and may be cited as the "Show Me Green Sales Tax Holiday".

2. For purposes of this section, the following terms mean:

(1) "Appliance", clothes washers and dryers, water heaters, trash compactors, dishwashers, conventional ovens, ranges, stoves, air conditioners, refrigerators and freezers;

(2) "Energy star certified", any appliance approved by both the United States Environmental Protection Agency and the United States Department of Energy as eligible to display the energy star label, as amended from time to time.

3. In each year beginning on or after January 1, 2009, there is hereby specifically exempted from state sales tax law all retail sales of any energy star certified new appliance, up to one thousand five hundred dollars per appliance, during a seven-day period beginning at 12:01 a.m. on April nineteenth and ending at midnight on April twenty-fifth.

4. A political subdivision may allow the sales tax holiday under this section to apply to its local sales taxes by enacting an ordinance to that effect. Any such political

subdivision shall notify the department of revenue not less than forty-five calendar days prior to the beginning date of the sales tax holiday occurring in that year of any ordinance or order.

5. This section may not apply to any retailer when less than two percent of the retailer's merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales tax refund in lieu of the sales tax holiday.

251.650. 1. Not less than twice each calendar year, representatives from the department of labor and industrial relations, the department of elementary and secondary education, the department of agriculture, the department of economic development, and the department of natural resources shall meet to discuss ways in which their respective agencies may collaborate in order to secure grants established in the Energy Independence and Security Act of 2007, Public Law 110-140, or other such grants that would fund: green jobs; the production of renewable fuels; increasing energy efficiency of products, buildings and vehicles; and increasing research and development relating to the manufacturing of renewable energy technologies. The department of natural resources is hereby designated as the coordinating agency for the inter-agency collaboration under this section.

2. In fulfilling the goals under this section, any of the departments under subsection 1 of this section may confer with, or invite participation by, any other interested individual, agency, or organization, which shall include but not be limited to non-profit organizations, private sector entities, institutions of higher education, and local governments. Such departments may enter into partnerships with, in accordance with federal grant requirements and as otherwise allowable by law, any individual, agency, or organization in securing a grant under this section.

3. No later than the first Wednesday after the first Monday of January each year, the departments outlined in subsection 1 of this section shall report jointly to the general assembly and to the governor the actions taken by their agencies in securing the grants outlined in this section.

386.850. The Missouri energy task force created by executive order 05-46 shall reconvene at least one time per year for the purpose of reviewing any progress made toward meeting the recommendations set forth in the task force's final report as issued under the executive order. A status report on the task force's findings shall be issued to the governor and the general assembly no later than December thirty-first of each year.

386.950. 1. This section shall be known and may be cited as the "Renewable Energy Information and Reporting Act", which requires annual reporting to focus on renewable energy and to help overcome lack of information or inaccurate information that prevents entities from entering or investing in renewable energy.

2. The public service commission shall provide an annual report of trends and new developments relating to renewable energy. Such report shall be provided to the governor,

7 the house of representatives, the senate, public interest groups interested in energy and
8 environment, and all entities in the energy industry.

9 3. The annual report required in subsection 2 of this section shall include the
10 following information:

11 (1) Current public and private research and development of renewable energy
12 resources and fossil fuel pollution-neutralizing technologies;

13 (2) Updated statistics on the energy efficiency of all existing and potential electricity
14 energy sources. The energy efficiency calculations shall include the calculation of the ratio
15 of energy produced per unit of fuel to the energy consumed in producing the unit of fuel;

16 (3) Updated statistics on the cost-to-return ratios of all existing and potential
17 energy sources;

18 (4) Updated statistics on per acre and per gallon energy output of all land and
19 water-based renewable fuel crops;

20 (5) Updated statistics on the full life-cycle assessment impacts of all existing and
21 potential electricity and transportation fuel sources. This assessment shall include the
22 energy input to energy output of the distribution phase. It shall also include analysis of the
23 efficiency and life-cycle impacts of the consumption phase. A full life-cycle assessment
24 shall also require inclusion of secondary impacts of all existing and potential energy
25 sources on ground, water, and air as well as changes in land use attributable to market
26 forces for existing or potential energy sources and their environmental consequences.

442.620. 1. Notwithstanding any other provision of law or county or municipal
2 ordinance to the contrary, for residential home sales that occur on or after August 28,
3 2008, the seller of a newly constructed residential home shall disclose to the initial
4 purchaser of the home its energy efficiency rating according to the energy star rating
5 system. The disclosure shall occur at least one week before the final completion of the
6 home sale through a completely integrated agreement.

7 2. Failure to disclose the energy efficiency information required under subsection
8 1 of this section shall result in the forfeiture of five hundred dollars by the seller to the
9 purchaser of the newly constructed home. Any purchaser of a new residential home who
10 fails to receive notice of such home's energy efficiency rating may withhold five hundred
11 dollars from the purchase price of the home, or in case full payment has been made on the
12 home, the purchaser may pursue a cause of action in any court of competent jurisdiction
13 for five hundred dollars.

14 3. If a purchaser is successful in his or her suit under the provisions of this section,
15 he or she shall be awarded attorney fees and costs.

640.153. The department of natural resources shall certify qualified home energy
2 auditors as required under subsection 8 of section 143.121, RSMo. The department shall
3 have the authority to promulgate any rules necessary to administer this section. Any rule

4 or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under
5 the authority delegated in this section shall become effective only if it complies with and
6 is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028,
7 RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers
8 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the
9 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
10 then the grant of rulemaking authority and any rule proposed or adopted after August 28,
11 2008, shall be invalid and void.

640.157. The energy center of the department of natural resources shall serve as
2 a central point of coordination for activities relating to energy sustainability in the state.
3 As such, the energy center shall:

4 (1) Consult and cooperate with other state agencies to serve as a technical advisor
5 on sustainability issues, including but not limited to, renewable energy use and green
6 building design and construction;

7 (2) Provide technical assistance to local governments, businesses, schools, and
8 homeowners on sustainability issues, including but not limited to, renewable energy use
9 and green building design and construction; and

10 (3) Conduct outreach and education efforts for the purpose of informing the
11 general public about financial assistance opportunities for energy conservation, including
12 but not limited to, the tax incentives under section 135.032, RSMo, subsections 8 and 9 of
13 section 143.121, RSMo, and section 144.526, RSMo.

640.216. 1. There is hereby created in the state treasury the "Studies in Energy
2 Conservation Fund", which shall consist of moneys appropriated by the general assembly
3 or donated by any individual or entity. The fund shall be administered by the department
4 of natural resources. Upon appropriation, money in the fund shall be used solely for the
5 purposes set forth in this section and for any administrative expenses involving the
6 implementation of this section. Notwithstanding the provisions of section 33.080, RSMo,
7 to the contrary, any moneys remaining in the fund at the end of the biennium shall not
8 revert to the credit of the general revenue fund. The state treasurer shall invest moneys
9 in the fund in the same manner as other funds are invested. Any interest and moneys
10 earned on such investments shall be credited to the fund.

11 2. Subject to an initial appropriation from the fund, there is hereby established in
12 the College of Natural and Applied Sciences of Missouri State University a full
13 professorship of energy efficiency and conservation.

14 3. At such time as the professorship of energy efficiency and conservation required
15 by subsection 2 of this section has been established, the department of natural resources
16 may appropriate any remaining moneys from the fund for the purpose of establishing

17 substantially similar full professorships of energy efficiency and conservation at any public
18 university within this state.

19 4. The duties of the full professor of energy efficiency and conservation and of any
20 professors holding positions established under subsection 3 of this section shall primarily
21 be to conduct studies and research regarding energy efficiency, but may also include
22 studies and research regarding renewable energy. Such research may involve the
23 evaluation of policy proposals and legislation relating to energy efficiency or renewable
24 energy.

701.500. 1. As used in sections 701.500 to 701.515, the following terms shall mean:

2 (1) "Ceiling fan", a nonportable device that is suspended from a ceiling for
3 circulating air via the rotation of fan blades;

4 (2) "Ceiling fan light kit", equipment designed to provide light from a ceiling fan
5 which can be:

6 (a) Integral, such that the equipment is hardwired to the ceiling fan; or

7 (b) Attachable, such that at the time of sale, the equipment is not physically
8 attached to the ceiling fan, but may be included inside the ceiling fan package at the time
9 of sale or sold separately for subsequent attachment to the fan;

10 (3) "Commercial clothes washer", a soft mount horizontal- or vertical-axis clothes
11 washer that:

12 (a) Has a clothes container compartment no greater than three and five-tenths
13 cubic feet in the case of a horizontal-axis product or not greater than four cubic feet in the
14 case of a vertical-axis product; and

15 (b) Is designed for use by more than one household, such as in multi-family
16 housing, apartments, or coin laundries;

17 (4) "Commercial refrigerators and freezers", refrigerators, freezers, or
18 refrigerator-freezers designed for use by commercial or institutional facilities for the
19 purpose of storing food products, ice, or other perishable items at specified temperatures
20 that:

21 (a) Incorporate most components involved in the vapor-compression cycle and the
22 refrigerated compartment in a single package; and

23 (b) May be configured with either solid or transparent doors as a reach-in cabinet,
24 pass-through cabinet, roll-in cabinet, or roll-through cabinet;

25 This term does not include products with eighty-five cubic feet or more of internal volume,
26 walk-in refrigerators or freezers, or consumer products that are federally regulated
27 pursuant to 42 U.S.C. Section 6291 and subsequent sections;

28 (5) "Department", the department of natural resources;

29 (6) "Director", the director of the department of natural resources;

- 30 (7) "Illuminated exit sign", an internally-illuminated sign that is designed to be
31 permanently fixed in place to identify an exit and consists of an electrically powered
32 integral light source that illuminates the legend "EXIT" and any directional indicators and
33 provides contrast between the legend, any directional indicators, and the background;
- 34 (8) "Large packaged air-conditioning equipment", packaged air-conditioning
35 equipment having two hundred forty thousand Btu/hour or more of cooling capacity that
36 is built as a package and shipped as a whole to end-user sites;
- 37 (9) "Low voltage dry-type distribution transformer", a distribution transformer
38 that has an input voltage of six hundred volts or less, is air-cooled, does not use oil as a
39 coolant, and is rated for operation at a frequency of sixty Hertz. The term "low voltage
40 dry-type transformer" does not include:
- 41 (a) Transformers with multiple voltage taps, with the highest voltage tap equaling
42 at least twenty percent more than the lowest voltage tap; or
- 43 (b) Transformers, such as those commonly known as drive transformers, rectifier
44 transformers, auto-transformers, Uninterruptible Power System transformers, impedance
45 transformers, harmonic transformers, regulating transformers, sealed and nonventilating
46 transformers, machine tool transformers, welding transformers, grounding transformers,
47 or testing transformers, that are designed to be used in a special purpose application and
48 are unlikely to be used in general purpose applications;
- 49 (10) "Pass-through cabinet", a commercial refrigerator or freezer with hinged or
50 sliding doors on both the front and rear of the unit;
- 51 (11) "Reach-in cabinet", a commercial refrigerator or freezer with hinged or
52 sliding doors or lids, but does not include roll-in or roll-through cabinets or pass-through
53 cabinets;
- 54 (12) "Roll-in cabinet", a commercial refrigerator or freezer with hinged or sliding
55 doors that allow wheeled racks of product to be rolled into the unit;
- 56 (13) "Roll-through cabinet", a commercial refrigerator or freezer with hinged or
57 sliding doors on two sides of the cabinet that allow wheeled racks of product to be rolled
58 through the unit;
- 59 (14) "Single-voltage external AC to DC power supply", a device that:
- 60 (a) Is designed to convert line voltage AC input into lower voltage DC output;
- 61 (b) Is able to convert to one DC output voltage at a time;
- 62 (c) Is sold with, or intended to be used with, a separate end-use product that
63 constitutes the primary power load;
- 64 (d) Is contained within a separate physical enclosure from the end-use product;
- 65 (e) Is connected to the end-use product via a removable or hard-wired male/female
66 electrical connection, cable, cord, or other wiring;

67 (f) Does not have batteries or battery packs, including those that are removable,
68 that physically attach directly to the power supply unit;

69 (g) Does not have a battery chemistry or type selector switch and indicator light;
70 or

71 (h) Has a nameplate output power less than or equal to two hundred fifty watts;
72 (15) "Torchiere", a portable electric lamp with a reflective bowl that directs light
73 upward onto a ceiling so as to produce indirect illumination on the surfaces below;

74 (16) "Traffic signal module", a standard eight inch (200mm) or twelve inch
75 (300mm) traffic signal indication, consisting of a light source, a lens, and all other parts
76 necessary for operation;

77 (17) "Transformer", a device consisting of two or more coils of insulated wire that
78 is designed to transfer alternating current by electromagnetic induction from one coil to
79 another to change the original voltage or current value;

80 (18) "Unit heater", a self-contained, vented fan-type commercial space heater that
81 uses natural gas, propane, or fuel oil that is designed to be installed without ducts within
82 a heated space, except that such term does not include any products covered by federal
83 standards established pursuant to 42 U.S.C. Section 6291 and subsequent sections or any
84 product that is a direct vent, forced flue heater with a sealed combustion burner.

85 2. The provisions of this section shall apply to the following products:

86 (1) Ceiling fans and ceiling fan light kits;

87 (2) Illuminated exit signs;

88 (3) Traffic signal modules; and

89 (4) Any other products defined by the Energy Star Program requirements or by
90 federal law requiring minimum energy efficiency standards that are designated by the
91 director, with consent of the advisory group under section 701.509 and in accordance with
92 section 701.503.

93 3. No person shall sell, offer for sale, or install any new product listed in subsection
94 2 of this section in the state unless the product meets the minimum energy efficiency
95 standards under sections 701.500 to 701.515.

96 4. The provisions of sections 701.500 to 701.515 shall not apply to products:

97 (1) Manufactured in the state and sold outside the state;

98 (2) Manufactured outside the state and sold at wholesale inside the state for final
99 retail sale outside the state;

100 (3) Installed in mobile manufactured homes at the time of construction; or

101 (4) Designed expressly for installation and use in recreational vehicles.

701.503. 1. In conjunction with the advisory group under section 701.509, the
2 director shall promulgate, by rule, the minimum energy efficiency standards for the
3 products listed in subsection 2 of this section as well as for any other products under

4 subdivision (11) of subsection 2 of section 701.500. The director shall not enact minimum
5 energy efficiency standards in excess of those established by the federal Energy Star
6 Program requirements or, if no such requirements are applicable, the minimum standard
7 required by federal law. Any rule or portion of a rule, as that term is defined in section
8 536.010, RSMo, that is created under the authority delegated in this section shall become
9 effective only if it complies with and is subject to all of the provisions of chapter 536,
10 RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are
11 nonseverable and if any of the powers vested with the general assembly pursuant to
12 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule
13 are subsequently held unconstitutional, then the grant of rulemaking authority and any
14 rule proposed or adopted after August 28, 2008, shall be invalid and void.

15 2. The standards shall not be more stringent than the federal Energy Star Program
16 requirements or, if no such requirements are applicable, the minimum standard required
17 by federal law.

701.506. In conjunction with the advisory group under section 701.509, the
2 department shall update the minimum appliance energy efficiency standards in section
3 701.503 not less than once every three years beginning from the date the standards were
4 first promulgated by rule. The purpose of any such update shall be to keep the state
5 standards current with technological advancements and industry practices with regard to
6 energy efficiency, while also giving due consideration to consumer and environmental costs
7 and benefits. The department shall strive to have the standards achieve greater energy
8 efficiency over time in a prudent and reasonable manner. Standards shall not be more
9 stringent than required by the federal Energy Star Program requirements or, if no such
10 requirements are applicable, the minimum standard required by federal law.

701.509. 1. The "Appliance Energy Efficiency Advisory Group" is hereby created.
2 The purpose of the advisory group is to advise the department on the development and
3 updating of the minimum energy efficiency standards for products under sections 701.500
4 to 701.515. The advisory group shall consist of the following twelve members who shall be
5 appointed, in staggered terms, by the director:

6 (1) A representative from the public service commission who is knowledgeable in
7 energy efficiency;

8 (2) A representative of the office of public counsel;

9 (3) A representative of an electric or natural gas utility who is knowledgeable in
10 energy efficiency;

11 (4) The director of the energy center at the department of natural resources, or his
12 or her designee;

13 (5) Three representatives from the appliance manufacturing industry;

14 (6) Three representatives with technical knowledge in energy efficiency and
15 appliances, including but not limited to, electrical or energy engineers;

16 (7) One representative from the home construction industry; and

17 (8) One representative from the commercial building industry.

18 2. Each member shall serve a term of three years and may be reappointed. The
19 advisory group members shall serve without compensation but may be reimbursed for
20 expenses incurred in connection with their duties. The advisory group shall meet as
21 needed, but not less than two times per year. The department shall provide staff for the
22 advisory group.

 701.512. 1. The department shall adopt procedures for testing the energy efficiency
2 of the new products covered by sections 701.500 to 701.515. The department shall use
3 United States Department of Energy approved test methods, or in the absence of such test
4 methods, other appropriate nationally recognized test methods. The manufacturers of
5 such products shall cause samples of their products to be tested in accordance with the test
6 procedures adopted pursuant to sections 701.500 to 701.515.

7 2. Manufacturers of new products covered by sections 701.500 to 701.515 shall
8 certify to the director that such products are in compliance with the provisions of sections
9 701.500 to 701.515. The director shall promulgate regulations governing the certification
10 of such products and may coordinate with the certification program of other states with
11 similar standards.

12 3. Manufacturers of new products covered by sections 701.500 to 701.515 shall
13 identify each product offered for sale or installation in the state as in compliance with the
14 provisions of sections 701.500 to 701.515 by means of a mark, label, or tag on the product
15 and packaging at the time of sale or installation. The director shall promulgate regulations
16 governing the identification of such products and packaging, which shall be coordinated
17 to the greatest practical extent with the labeling programs of other states and federal
18 agencies with equivalent efficiency standards.

19 4. The director may test products covered by sections 701.500 to 701.515. If
20 products so tested are found not to be in compliance with the minimum efficiency
21 standards established under section 701.503, the director shall:

22 (1) Charge the manufacturer of such product for the cost of product purchase and
23 testing, and

24 (2) Make information available to the public on products found not to be in
25 compliance with the standards.

26 5. The director may cause periodic inspections to be made of distributors or
27 retailers of new products covered by sections 701.500 to 701.515 in order to determine
28 compliance with the provisions of these sections.

29 **6. The director is hereby granted the authority to adopt such further regulations**
30 **as necessary to insure the proper implementation and enforcement of the provisions of**
31 **sections 701.500 to 701.515. Any rule or portion of a rule, as that term is defined in section**
32 **536.010, RSMo, that is created under the authority delegated in this section shall become**
33 **effective only if it complies with and is subject to all of the provisions of chapter 536,**
34 **RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**
35 **nonseverable and if any of the powers vested with the general assembly pursuant to**
36 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**
37 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**
38 **rule proposed or adopted after August 28, 2008, shall be invalid and void.**

701.515. The director shall investigate complaints received concerning violations
2 **of sections 701.500 to 701.515 and shall report the results of such investigations to the**
3 **attorney general. The attorney general may institute proceedings to enforce the provisions**
4 **of sections 701.500 to 701.515.**

Section 1. 1. There is hereby established as a governmental instrumentality of the
2 **state of Missouri the "Missouri Alternative Energy Loan Authority", which shall**
3 **constitute a body corporate and politic.**

2. The authority shall ensure all applicants including local governments,
4 **municipalities, cooperatives, utilities, and owners of residential, commercial, and**
5 **agricultural property receive a low-interest loan for the purpose of financing renewable**
6 **energy producing products or facilities or qualifying energy efficient and energy**
7 **conserving appliances and products in this state. The authority shall develop a method for**
8 **such applicants to apply to the authority for loans and approve disbursements of the loans.**
9 **Loan applications shall be considered on a need-based program as well as according to**
10 **efficiency and size of the project with priority given to larger and more efficient proposed**
11 **renewable energy and energy efficiency projects. Priorities only apply to new projects and**
12 **not for existing projects.**

3. As used in this section, the following terms mean:

(1) "Alternative energy", sources, including but not limited to, energy from wind,
15 **solar, thermal, photovoltaic cells and panels, animal waste and by products, dedicated**
16 **crops grown for energy production, plant-based residues, fuel cells using hydrogen**
17 **produced by a renewable energy source, and other alternative sources of energy as defined**
18 **by rule by the department;**

(2) "Applicant", any local government, municipality, cooperative, utility, and
20 **owner of residential, commercial, and agricultural property, which submits an application**
21 **for loans on financial assistance to the authority;**

(3) "Authority", the Missouri renewable energy loan authority;

24 **(4) "Department", the Missouri department of natural resources;**

25 **(5) "Energy efficiency project", any project that reduces the energy use of an entity**
26 **and results in a reduced cost over the life cycle of the project.**

27 **4. The authority shall consist of nine members appointed by the governor by and**
28 **with the advice and consent of the senate. Not more than five members shall be of the same**
29 **political party. One member shall be from each congressional district in Missouri if**
30 **Missouri shall gain or lose a congressional district based on the 2010 census, then members**
31 **may be chosen from any district with geographic diversity considered as an important**
32 **factor in member selection. All members shall be residents of this state. In making**
33 **appointments to the authority, the governor shall take into consideration nominees**
34 **recommended to him for appointment by the department. The members of the authority**
35 **first appointed by the governor shall be appointed to serve for terms of one, two, and three**
36 **years, the term of each member to be designated by the governor. The successor of each**
37 **member shall be appointed for a term of three years or until their successors have been**
38 **appointed, but any person appointed to fill a vacancy shall be appointed to serve only for**
39 **the unexpired term. Any member shall be eligible for reappointment. The authority shall**
40 **elect one of its members as chairman and another as vice chairman and shall appoint a**
41 **secretary and a treasurer, which offices may be combined, and who need not be members**
42 **of the authority. Five members of the authority shall constitute a quorum for the purpose**
43 **of conducting business and exercising the powers of the authority. Action may be taken**
44 **by the authority upon the affirmative vote of at least five of its members. Each member**
45 **of the authority shall not be entitled to compensation except for their reasonable and**
46 **necessary expenses actually incurred in discharging their duties under the provisions of**
47 **this section. Any member of the authority may be removed by the governor for**
48 **misfeasance, malfeasance, willful neglect of duty, or other cause after notice and a public**
49 **hearing unless the notice or hearing shall be expressly waived in writing.**

50 **5. There is hereby established in the state treasury a fund to be known as the**
51 **"Missouri Alternative Energy Loan Authority Fund", which shall consist of moneys**
52 **appropriated annually by the general assembly, which includes a one-time start-up amount**
53 **of fifteen million dollars to establish such fund. In addition the fund may include any gifts,**
54 **contributions, grants, or bequests received from federal, state, private, or other sources.**
55 **The fund shall be administered by the authority. Upon appropriation, money in the fund**
56 **shall be used solely to provide low-interest loans for renewable energy projects and energy**
57 **efficiency and related expenses. If any amount is used for purposes otherwise provided in**
58 **this section, two hundred percent of the loan amount shall be repaid and deposited into the**
59 **fund created under this section. Notwithstanding the provisions of section 33.080, RSMo,**
60 **to the contrary, moneys in the fund shall not be transferred to the credit of the general**
61 **revenue fund at the end of the biennium. Interest and moneys earned on the fund shall be**
62 **credited to the fund.**

63 **6. The authority shall have the following powers, together with all powers**
64 **incidental thereto or necessary for the performance thereof:**

65 **(1) To have perpetual succession as a body politic and corporate;**

66 **(2) To adopt bylaws for the regulation of its affairs and the conduct of its business;**

67 **(3) To sue and be sued and to prosecute and defend, at law or in equity, in any**
68 **court having jurisdiction of the subject matter and of the parties;**

69 **(4) To have and to use a corporate seal and to alter the same at pleasure;**

70 **(5) To maintain an office at such place or places in the state of Missouri as it may**
71 **designate;**

72 **(6) To accept appropriations, gifts, grants, bequests, and devises and to utilize or**
73 **dispose of the same to carry out its purpose;**

74 **(7) To make and execute contracts, releases, compromises, and other instruments**
75 **necessary or convenient for the exercise of its powers, or to carry out its purpose;**

76 **(8) To collect reasonable fees and charges in connection with making and servicing**
77 **its loans, notes, bonds, obligations, commitments, and other evidences of indebtedness, and**
78 **in connection with providing technical, consultative and project assistant services. Such**
79 **fees and charges shall be used to pay the costs of the authority;**

80 **(9) To invest any funds not required for immediate disbursement in obligations of**
81 **the state of Missouri or of the United States government or any instrumentality thereof,**
82 **the principal and interest of which are guaranteed by the state of Missouri, or the United**
83 **States government or any instrumentality thereof, or certificates of deposit or time deposits**
84 **of federally insured banks, or federally insured savings and loan associations or of insured**
85 **credit unions, or, with respect to moneys pledged or held under a trust estate or otherwise**
86 **available for the owners of bonds or other forms of indebtedness, any investment**
87 **authorized under the bond resolution governing the security and payment of such**
88 **obligations or repurchase agreements for the specified investments;**

89 **(10) To acquire, hold and dispose of personal property for its purposes;**

90 **(11) To enter into agreements or other transactions with any federal or state**
91 **agency, any person and any domestic or foreign partnership, corporation, association or**
92 **organization.**

93 **7. The authority may from time to time issue renewal notes. Renewal notes may**
94 **be sold at public or private sale and the proceeds applied to the purchase, redemption, or**
95 **payment of the notes to be refunded.**

96 **8. (1) The authority may set interest rates between one percent and two points**
97 **below the prime interest rates.**

98 **(2) The ratio of loan to project cost and the amortization period of loans made by**
99 **the authority shall be determined in accordance with regulations promulgated by the**
100 **authority.**

101 **9. The renewable energy loan authority is assigned to the department. The**
102 **authority shall annually file with the director of the department a report of its previous**
103 **year's income, expenditures and bonds or other forms of indebtedness issued and**
104 **outstanding.**

✓

Unofficial

Bill

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